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**THE SAT IS NO LAUGHING MATTER FOR *SEINFELD*: ISSUES
OF COPYRIGHT INFRINGEMENT AND FAIR USE IN
CASTLE ROCK ENTERTAINMENT, INC. v.
*CAROL PUBLISHING GROUP, INC.***

I. INTRODUCTION

In 1994, when Carol Publishing Group, Inc. ("Carol Publishing") released *The Seinfeld Aptitude Test* ("*The SAT*"), a trivia book depicting the characters and events in the *Seinfeld* television series, Castle Rock Entertainment ("Castle Rock"), the copyright holder in *Seinfeld*, was not laughing.¹ After warning Carol Publishing to stop publication of *The SAT*, Castle Rock filed an action for federal copyright infringement.²

Copyright law recognizes creative intellectual activity as critical to the well-being of society.³ Copyright law was specifically designed to stimulate activity and progress in the arts for the intellectual enrichment of all individuals.⁴ The monopoly created by a copyright rewards authors for their creative efforts while conferring a benefit on the public.⁵ Although copyright protection is necessary to achieve these goals, the scope of the protection must not be so broad as to stifle creativity.⁶ In furtherance of this goal, the doc-

1. See *Castle Rock Entertainment, Inc. v. Carol Publ'g Group, Inc.*, 150 F.3d 132, 136 (2d Cir. 1998).

2. See *id.*

3. See Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1109 (1990). Leval recognizes copyright law as a practical device that provides benefits for authors and artists. See *id.* According to Leval, this benefit is conferred in order to promote the intellectual and practical enrichment that emanates from creative and innovative activity. See *id.* Leval concludes that copyright law is therefore necessary to attain this goal. See *id.*

4. See *id.* at 1107. This goal is met by allowing authors and artists to receive the rewards of their creative thoughts. See Leval, *supra* note 3, at 1107. Further, copyright law is created to augment knowledge, not inhibit it. See *id.* Rights furthered by copyright law are created to give a return to those who have contributed to this arena of knowledge. See *id.*

5. See *id.* at 1108 (quoting *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 545-46 (1985)).

6. See *id.* at 1109. Monopoly protection that interfered with the creation of innovative ideas would strangle the process. See Leval, *supra* note 3, at 1109. Three copyright doctrines address this problem. See *id.* The first is the rule that copyright only protects expression, not the author's ideas. See *id.* (citing *Harper & Row*, 471 U.S. at 547). The second doctrine states that facts are not protected. See *id.* (citing *Hoehling v. Universal City Studios, Inc.*, 618 F.2d 972, 974 (2d Cir. 1980)). The third doctrine is fair use, which protects "secondary creativity" as an appropriate aim of copyright. See *id.* at 1110.

trine of fair use acts as a safeguard to limit the scope of copyright monopoly.⁷

Castle Rock Entertainment, Inc. v. Carol Publishing Group, Inc. addresses two intriguing aspects of copyright law: the Copyright Act of 1976 ("Copyright Act") and the fair use doctrine.⁸ The Copyright Act protects copyright owners against unauthorized copying by allowing them to bring copyright infringement actions.⁹ The fair use doctrine provides an affirmative defense to copyright infringement when the copyright's goal would otherwise be thwarted.¹⁰ In this case, the Second Circuit Court of Appeals analyzed a copyright infringement claim and the fair use defense, and granted relief for the claim.¹¹ The court evaluated the issues by balancing the need to protect an established copyright against the need to protect creative expression.¹²

This Note examines the Second Circuit's decision in *Castle Rock*, which rejected the fair use defense, holding that *The SAT* infringed on Castle Rock's copyrights in *Seinfeld*. The second section of this Note details the facts giving rise to the producers' claims against the author and publisher of *The SAT*.¹³ The third section

7. See Leval, *supra* note 3, at 1110. Fair use is a necessary element of copyright monopoly. See *id.* The doctrine of fair use sets forth principles that focus on using copyright to stimulate productive thought without decreasing motivation for creativity. See *id.* Fair use is an affirmative defense to the claim of copyright infringement, acting as a significant limitation on copyright monopoly. See Benjamin Ely Marks, *Copyright Protection, Privacy Rights, and The Fair Use Doctrine: The Post-Salinger Decade Reconsidered*, 72 N.Y.U. L. REV. 1376, 1377 (1997) (citing *Harper & Row*, 471 U.S. at 561 (treating fair use as affirmative defense)).

8. See *Castle Rock Entertainment, Inc. v. Carol Publ'g Group, Inc.*, 150 F.3d 132, 136 (2d Cir. 1998).

9. See The Copyright Act of 1976 (Copyright Act), 17 U.S.C. §§ 101-803 (1994); see also *Repp v. Webber*, 132 F.3d 882, 889 (2d Cir. 1997) (precluding summary judgment on musician's claim that musical composition "Phantom Song" infringed on plaintiff's copyrighted song "Till You" where "Phantom Song" was strikingly similar to "Till You"); *Feist Publication, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 361 (1991) (asserting that publisher's use of listings in utility's white pages failed to meet constitutional or statutory requirements for copyright protection). See generally Jeannette R. Busek, *Copyright Infringement: A Proposal for a New Standard for Substantial Similarity Based on the Degree of Possible Expressive Variation*, 45 U.C.L.A. L. REV. 1777, 1782-85 (1998) (explaining Copyright Act and copyright infringement).

10. See *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 575 (1994) (quoting U.S. CONST. art. I, § 8, cl. 8). The ultimate test of fair use is whether the copyright law's goal of "[p]romot[ing] the Progress of Science and useful Arts" is fulfilled. See *id.*

11. See *Castle Rock*, 150 F.3d at 132. For the specific relief granted by the court, see *infra* note 32 and accompanying text.

12. See *Castle Rock*, 150 F.3d at 141.

13. For a discussion of the facts and procedural background of *Castle Rock*, see *infra* notes 19-33 and accompanying text.

discusses the pertinent statutes and case law relating to copyright infringement and the fair use defense, with a specific discussion of the Copyright Act.¹⁴ The fourth section describes how the court arrived at its decision to affirm Castle Rock's copyright infringement claim and to reject the fair use defense.¹⁵ The fifth section analyzes the court's reasoning and offers a critique of the "substantial similarity" test used in copyright infringement disputes.¹⁶ In addition, the fifth section explores the four-factor analysis employed in fair use claims.¹⁷ Finally, this Note discusses the impact of *Castle Rock* on the need for copyright protection against secondary users who unfairly copy an original author's creative work, as well as the effect of the absence of a bright-line rule in the fair use doctrine.¹⁸

II. FACTS

The *Castle Rock* litigation involved the alleged copyright infringement of the *Seinfeld* television series ("*Seinfeld*") by the publisher of a trivia quiz book that tested its readers' recollection of scenes from *Seinfeld*.¹⁹ The plaintiff, Castle Rock, is the producer and copyright owner of every episode of *Seinfeld*.²⁰ The defendants are Beth Golub, the author, and Carol Publishing, the publisher of *The SAT*.²¹ *The SAT* is a 132-page book with 643 trivia questions about the characters depicted in the television episodes of *Seinfeld*.²² The book uses eighty-four out of the eighty-six *Seinfeld*

14. For an analysis of prior cases dealing with copyright infringement and fair use, see *infra* notes 56-129 and accompanying text.

15. For an examination of the Second Circuit's rationale in *Castle Rock*, see *infra* notes 130-67 and accompanying text.

16. For a critical analysis of the court's holding and reasoning in *Castle Rock*, including the "substantial similarity" test, see *infra* notes 168-218.

17. For a critical analysis of the court's holding and reasoning in *Castle Rock*, including the four-factor analysis, see *infra* notes 168-218 and accompanying text.

18. For a discussion of the potential ramifications of this decision, see *infra* notes 219-33 and accompanying text.

19. See *Castle Rock Entertainment, Inc. v. Carol Publ'g Group, Inc.*, 150 F.3d 132, 135 (2d Cir. 1998).

20. See *id.* The television series involves the "tribulations" of four adult friends living in New York City: Jerry Seinfeld, George Costanza, Elaine Benes, and Cosmo Kramer. See *id.*

21. See *id.*

22. See *id.* The book contains 211 multiple choice questions, 93 matching questions, and several short-answer questions. See *Castle Rock*, 150 F.3d at 135. The questions are arranged according to difficulty. See *id.* The five levels are: "Wuss Questions," "This, That, and the Other Questions," "Atomic Wedgie Questions," and "Master of Your Domain Questions." *Id.* An example of a level one question representative of the questions throughout *The SAT* is: "[t]o impress a woman, George passes himself off as: a) a gynecologist; b) a geologist; c) a marine biologist; [or] d) a meteorologist." *Id.*

episodes, of which forty-one questions or answers include dialogue from *Seinfeld*.²³ Each question and correct answer originate from a “fictional moment” in *Seinfeld*.²⁴ Additionally, the name “*Seinfeld*” appears on the front cover of *The SAT*, while a disclaimer on the back cover states that *The SAT* “has not been approved or licensed by any entity involved in creating or producing *Seinfeld*.”²⁵ Golub designed *The SAT* by taking notes and using videotapes of the *Seinfeld* episodes shown on television.²⁶

The publication of *The SAT* did not produce a challenge at first.²⁷ However, Castle Rock ultimately objected to *The SAT*’s publication because it has been careful when marketing products that are related to *Seinfeld*.²⁸ Castle Rock asserted that it would pursue an independent marketing strategy for products related to *Seinfeld*, including the publication of *Seinfeld*-related books.²⁹

In November 1994, Castle Rock informed the defendants of its potential copyright infringement claim.³⁰ In February 1995, as a result of the defendants’ failure to comply with Castle Rock’s warn-

23. See *id.* at 136. The number of episodes *The SAT* draws from was close to the number of episodes broadcast at the time *The SAT* was published. See *Castle Rock*, 150 F.3d at 136.

24. See *id.* at 135. The episode most often used in *The SAT* was “The Cigar Store Indian.” *Id.* The *SAT* contained 20 questions that directly quoted between 3.6% and 5.6% of the episode (defendants’ and plaintiff’s estimations). See *id.*

25. *Id.* at 136. The covers of *The SAT* also have pictures of the *Seinfeld* actors. See *Castle Rock*, 150 F.3d at 136. The front cover, with the title “The *Seinfeld* Aptitude Test,” explains the book as a composite of “[h]undreds of spectacular questions of minute details from TV’s greatest show about absolutely nothing.” *Id.* On the back cover is the following paragraph:

[I]f you think you know the answers — and really keep track of *Seinfeld* minutiae — challenge yourself and your friends with these 550 trivia questions and 10 extra matching quizzes. No, The *Seinfeld* Aptitude Test can’t tell you whether you’re Master of Your Domain, but it will certify your status as King or Queen of *Seinfeld* trivia. So twist open a Snapple, double-dip a chip, and open this book to satisfy your between-episode cravings.

Id.

26. See *id.* Golub considered *The SAT* to be a “natural outgrowth” of *Seinfeld* and, like *Seinfeld*, was “devoted to the trifling, picayune and petty annoyances encountered by the show’s characters on a daily basis.” *Id.*

27. See *Castle Rock*, 150 F.3d at 136. The National Broadcasting Corporation (NBC), the broadcaster of *Seinfeld*, asked the defendants for copies of the trivia book to use as a promotion with the television program. See *id.* The executive producer of *Seinfeld* called *The SAT* “a fun little book.” *Id.* In addition, there was evidence that *Seinfeld*’s audience grew after publication of *The SAT*. See *id.*

28. See *id.* Castle Rock rejected many proposals from publishers who wished to create projects based on *Seinfeld*. See *Castle Rock*, 150 F.3d at 136. Castle Rock licensed only one *Seinfeld* book called “The Entertainment Weekly *Seinfeld* Companion” and a CD-ROM product about *Seinfeld* scenes. See *id.*

29. See *id.*

30. See *id.*

ing by continuing to publish *The SAT*, Castle Rock filed an action for infringement under federal copyright law.³¹ Both parties moved for summary judgment; the district court granted summary judgment for Castle Rock on the copyright claim, and Carol Publishing and Golub appealed.³² The Second Circuit affirmed the district court's decision, holding that *The SAT* took sufficient protected expression from *Seinfeld* and, thereby, infringed on Castle Rock's copyrights.³³

III. BACKGROUND

The primary issue in *Castle Rock* was whether Castle Rock could prove the two elements required to establish a prima facie case of copyright infringement.³⁴ The Copyright Act³⁵ creates a federal claim for copyright infringement that protects authors and artists from unauthorized reproduction of their creative expressions.³⁶

The second issue in *Castle Rock* was whether the fair use exception included in the Copyright Act precluded an infringement claim.³⁷ The fair use exception permits a second author to create a new work based on the author's original for the public benefit, de-

31. *See id.* Castle Rock also filed a state law unfair competition action. *See Castle Rock*, 150 F.3d at 136.

32. *See id.* The district court held that the defendants had violated the plaintiff's copyrights in *Seinfeld* and furthermore, held that this type of copying did not qualify as fair use. *See Castle Rock Entertainment v. Carol Publ'g Group, Inc.*, 955 F. Supp. 260, 262 (S.D.N.Y. 1997) [*Castle Rock I*]. The court denied summary judgment to both parties on the unfair competition claim. *See Castle Rock*, 150 F.3d at 136-37. On the copyright infringement claim, the district court awarded Castle Rock approximately \$403,000 and enjoined the defendants from publishing *The SAT*. *See id.* In addition, the district court ordered the defendants to destroy all copies of *The SAT* that were in their possession. *See id.*

33. *See id.* at 146.

34. *See id.* at 137.

35. 17 U.S.C. §§ 101-803 (1994). For the relevant text of the Act, see *infra* notes 49-50 and accompanying text.

36. *See Castle Rock*, 150 F.3d at 137. The Copyright Act confers on the copyright owners the exclusive right to control the reproduction and copying of their copyrighted works. *See Alexandra Lyras, Incidental Artwork in Television Scene Backgrounds: Fair Use or Copyright Infringement?*, 2 FORDHAM ENT. MEDIA & INTELL. PROP. L.F. 159, 165 (1992).

37. *See Castle Rock*, 150 F.3d at 141. One commentator suggests that the fair use doctrine is a rule of reason by which the facts of each case establish the equities. *See Adrienne J. Marsh, Fair Use and New Technology: The Appropriate Standards to Apply*, 5 CARDOZO L. REV. 635, 643 (1984). The fair use doctrine provides a certain type of guidance for the public, without which copyright protection would have a "chilling effect" on prospective users. *See id.* This effect is contrary to the purpose of copyright law, which is to promote the progress of the arts and science through the distribution of knowledge. *See U.S. CONST. art. I, § 8, cl. 8.*

spite the first author's copyright.³⁸ The difficulty in determining whether a particular case constitutes fair use of a copyrighted work is due to the case-by-case analysis employed by the courts.³⁹ This difficulty is magnified by the existence of a precarious balance between protecting authors' rights of original expression and promoting public education and creative exchange.⁴⁰

A. Copyright Infringement

In 1976, Congress enacted the Copyright Act.⁴¹ The Copyright Act embodies the primary and secondary goals of copyright law.⁴² The primary goal is to stimulate widespread production of artistic works.⁴³ The goal of encouraging the dissemination of works re-

38. See Marks, *supra* note 7, at 1381. For a detailed discussion of the fair use doctrine, see *infra* notes 74-129 and accompanying text.

39. See *Castle Rock*, 150 F.3d at 141 (quoting *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 577 (1994)). Courts are required to avoid a strict application of the copyright statute. See *Campbell*, 510 U.S. at 577. The fair use examples provided by the Copyright Act serve only as guidance on how to recognize fair use but do not control the fair use analysis. See *id.* at 577-78.

40. See Neil Weinstock Netanel, *Copyright and a Democratic Society*, 106 YALE L.J. 283, 285 (1996). The problem with copyright law is determining where exclusive rights terminate and public access commences. See *id.* For instance, if copyright is too narrow, authors will have less incentive to produce creative works, but if copyright is too broad, copyright owners will use more censorial control over existing works. See *id.*

41. See Copyright Act of 1976 (Copyright Act), 17 U.S.C. §§ 101-803 (1994); Marks, *supra* note 7, at 1377-79 (explaining briefly Congress' intention in enacting Copyright Act). A significant amount of the legal theory that forms the American copyright law comes from English statutes. See Douglas Reid Weimer, *Digital Audio Recording Technology: Challenges to American Copyright*, 22 ST. MARY'S L.J. 455, 459 (1990). In 1783, the Continental Congress encouraged the states to enact copyright legislation. See *id.* (citing L. PATTERSON, COPYRIGHT IN HISTORICAL PERSPECTIVE 3-4 at 183 (1968)). As a result of the diverse state laws, the Framers of the Constitution gave the legislative branch control over copyrights. See *id.* at 459-60. Subsequently, the power to regulate copyrights was granted to Congress. See *id.* at 460. Over the years, Congress enacted many copyright statutes to keep pace with technological changes in society. See *id.* A recent revision of copyright law in 1976 by the Copyright Act delineated the specific rights of copyright owners. See Weimer, *supra*, at 460.

42. See Robert A. Kreiss, *Accessibility and Commercialization in Copyright Theory*, 43 UCLA L. REV. 1, 6 (1995) (explaining that knowledge of both sets of goals is necessary for understanding roles of accessibility and commercialization in copyright theory).

43. See *id.* (citing 1 PAUL GOLDSTEIN, COPYRIGHT § 1.1 (1989)); see also *Feist Publications, Inc. v. Rural Tel. Serv. Co. Inc.*, 499 U.S. 340, 349 (1991) (explaining that "the primary objective of copyright is not to reward the labor of authors, but '[t]o promote the Progress of Science and useful Arts'"). These goals are mandated by the Enabling Clause from which the Copyright Act derives its power. See Kreiss, *supra* note 42, at 6-7. The Constitution authorizes Congress "to promote the Progress of Science by securing for limited times to Authors the exclusive right to their respective Writings." *Id.* at 7 (quoting U.S. CONST. art. I, § 8, cl. 8). The

quires striking a balance between the rights of authors and the privileges of the users of copyrighted works.⁴⁴ The Copyright Act avoids underprotection and overprotection of an author's work by limiting the scope of copyright protection to an author's expression and by employing the fair use doctrine.⁴⁵

In enacting the Copyright Act of 1976, Congress also had secondary goals.⁴⁶ The Copyright Act protects an author's privacy and renders control of the right of first publication to the author.⁴⁷ The Act reflects a harmonization of the American copyright system and the dual goals of copyright law: the promotion of creative works and the protection of an author's privacy.⁴⁸

Generally, the Copyright Act grants copyright owners a collection of exclusive rights.⁴⁹ Section 106 of the Copyright Act specifically grants authors the exclusive right to reproduce copyrighted works in the form of copies and the right to make derivative works.⁵⁰ In order to prove copyright infringement the owner of the valid copyright must show some form of unauthorized copying.⁵¹ Demonstration that the work was actually copied creates a *prima facie* case of infringement.⁵² In addition, to meet the elements of a copyright infringement claim, the copying must be "an improper or

constitutional language is aimed at the promotion of learning and knowledge. *See id.*

44. *See id.* at 8. Copyright law has to maintain an author's incentive to create while still allowing other authors to create new works based on the original works. *See id.*

45. *See Kreiss, supra* note 42, at 8-9. The Copyright Act protects an author's expression but not an author's ideas, processes, and methods. *See id.* at 8. For example, a rock and roll song is protected as expression, but the ideas of the rock and roll era are not protected. *See id.* at 9. The fair use doctrine is a way of preventing underprotection and overprotection by allowing for a variety of valuable uses. *See id.* For instance, a scholar is permitted to quote parts of a novel in order to critique an author's work. *See id.*

46. *See Kreiss, supra* 42, at 9.

47. *See id.* Protecting an author's privacy is achieved by giving the author the exclusive right to make and distribute copies. *See id.* Protecting the right of first publication gives the author the control to withhold publication of a particular work until the author decides to allow public distribution. *See id.*

48. *See id.*

49. *See* 17 U.S.C. §§ 101-803 (1994). Under the Copyright Act, the copyright owner receives a "bundle" of exclusive rights, which includes the right to reproduce the original and to prepare derivative works based on this work. *See id.*

50. *See id.* § 106.

51. *See* *Feist Publications, Inc. v. Rural Tel. Serv. Co. Inc.*, 499 U.S. 340, 361 (1991); *Repp v. Webber*, 132 F.3d 882, 889 (2d Cir. 1997).

52. *See* *Laureyssens v. Idea Group, Inc.*, 964 F.2d 131, 139-40 (2d Cir. 1992) (concluding that toy designer was not entitled to preliminary injunction against competitor without evidence that it intentionally copied designer's trade dress).

unlawful appropriation.”⁵³ Actual copying is demonstrated through direct or indirect evidence of copying.⁵⁴ Once copying is established, a demonstration that the copying was improper or unlawful is achieved by showing that the second work bears “substantial similarity” to protected expression in the original work.⁵⁵

Courts rely on the Second Circuit’s “substantial similarity” test set forth in *Ringgold v. Black Entertainment Television, Inc.*⁵⁶ for analyzing a copyright infringement claim. In *Ringgold*, the copyright owner alleged that the defendant’s use of a “story quilt” as a set decoration in a television program infringed on the owner’s copyright in the “Church Picnic Story Quilt.”⁵⁷ The *Ringgold* court set forth two components as the basis of the substantial similarity test: (1) a quantitative threshold and (2) a qualitative threshold.⁵⁸ While the two *Ringgold* components serve as a guide in establishing substantial similarity, a court must then decide how to determine these quantitative and qualitative elements.

First, to determine that the quantitative threshold has been met, courts must decide whether to analyze the copied material separately or in the aggregate.⁵⁹ The Second Circuit’s decision in *Twin Peaks Productions, Inc. v. Publications International, Ltd.*⁶⁰ supports the aggregate analysis.⁶¹ *Twin Peaks Productions, Inc.*, the owner of the trademark for the copyrighted television series *Twin Peaks*, sued

53. *Id.*

54. *See id.* at 140. Evidence of copying includes access to copyrighted work, similarities between the works, and expert testimony. *See id.* Only after actual copying has been established does the plaintiff proceed to establish that the copying was improper or unlawful. *See Castle Rock Entertainment, Inc. v. Carol Publ’g Group, Inc.*, 150 F.3d 132, 137 (2d Cir. 1998) (quoting *Repp*, 132 F.2d at 889; *Laureyssens*, 964 F.2d at 140).

55. *See Repp*, 132 F.3d at 889; *see also Laureyssens*, 964 F.2d at 140.

56. 126 F.3d 70 (2d Cir. 1997).

57. *Id.* at 73. The plaintiff, Faith Ringgold, was an artist who created and owned a copyright in “story quilt.” *Id.* at 71. “Story quilt” is an example of a new type of artistic expression, which was designed by Ringgold. *See id.* at 72. The defendants, Black Entertainment Television, Inc. and Home Box Office, Inc., produced a television series called “ROC” in which a “story quilt” poster was used in the set decoration. *See id.* Ringgold alleged that the defendants infringed her copyright in “Church Picnic Story Quilt” because the use of the poster in the episode of “ROC” was unauthorized. *See Ringgold*, 126 F.3d at 73.

58. *See id.* at 74-75. Substantial similarity requires that “[t]he copying is quantitatively and qualitatively sufficient to support the legal conclusion that infringement (actionable copying) has occurred. The qualitative component concerns the copying of expression, rather than ideas The quantitative component generally concerns the amount of copyrighted work that is copied” *Id.*

59. *See Castle Rock*, 150 F.3d at 138.

60. 996 F.2d 1366 (2d Cir. 1993).

61. *See id.* at 1372-73.

Publications International, Ltd., a book author and publisher, for alleged copyright and trademark infringement.⁶² In determining whether substantial similarity was present, the Second Circuit relied on an aggregate analysis.⁶³

In *Craft v. Kobler*,⁶⁴ the court utilized the same aggregate analysis as the *Twin Peaks Productions* court used to establish substantial similarity between the two works.⁶⁵ The owner of copyrighted books about a composer brought a copyright infringement suit against the author of a biography of the composer.⁶⁶ Like the Second Circuit in *Twin Peaks Productions*, the *Craft* court treated the amount of unauthorized copying cumulatively in finding copyright infringement.⁶⁷

Second, in order to show that both the qualitative and the quantitative thresholds have been satisfied, courts must evaluate whether the copied material includes creative expression as opposed to discovered facts.⁶⁸ In *Feist Publications, Inc. v. Rural Telephone Service Co., Inc.*,⁶⁹ the Second Circuit explored this distinction.⁷⁰ In *Feist*, the court recognized the basic principle that

62. See *id.* at 1366. The plaintiff owned the unregistered trademark TWIN PEAKS. See *id.* at 1370. The defendant, Publications International, Ltd., published "Welcome to Twin Peaks: A Complete Guide to Who's Who and What's What" (the "Book") based on eight episodes of the *Twin Peaks* television series. See *id.*

63. See *Twin Peaks Prods.*, 996 F.2d at 1372. The court examined the evidence of actual copying and found that two chapters of the Book included direct quotations from the episodes, and 89 lines of dialogue were taken from the original work. See *id.* The aggregate analysis used by the court continued with the evidence that Chapter Three of the Book was an explicit recounting of eight episodes of the television program; furthermore, the Book contained the same sequence of plot twists as the teleplays. See *id.* at 1372-73.

64. 667 F. Supp. 120 (S.D.N.Y. 1987).

65. See *id.* at 124-25.

66. See *id.* at 120. In *Craft*, the plaintiff was the author or co-author of about 15 books on Stravinsky. See *id.* at 122. The defendant, Kobler, was a professional writer who wrote a book called *Firebird*. See *id.* *Firebird* contained quotes by Stravinsky extracted from Craft-Stravinsky literature. See *id.*

67. See *Craft*, 667 F. Supp. at 124-25. The plaintiff showed 72 examples of where Kobler's book copied or directly quoted from Craft's copyrighted material. See *id.* at 124. Overall, there were 79 infringements by quotation of passages. See *id.* In addition, the court found 10 other passages where the defendant paraphrased the mode of expression that was protected by Craft's copyright. See *id.* The overall copying from Craft's literature about Stravinsky supported a finding of infringement. See *id.* at 124-25.

68. See *Ringgold v. Black Entertainment Television, Inc.*, 126 F.3d 70, 75 (2d Cir. 1997).

69. 499 U.S. 340 (1991).

70. See *id.* at 364. In *Feist*, the plaintiff, Rural Telephone Service Company ("Rural"), a certified public utility providing telephone service, published a telephone directory with both white and yellow pages. See *id.* at 342. The defendant, Feist Publications, Inc. ("Feist"), published an area-wide telephone directory. See

facts are not entitled to copyright protection because they do not owe their origin to an act of authorship; therefore, the copying of such facts does not constitute infringement.⁷¹ Consistent with its decision in *Feist*, the Second Circuit supported the conclusion that discovered facts are not protected expression in *Horgan v. Macmillan, Inc.*⁷² The *Horgan* court explained that copyright infringement does not turn on whether the original can be recreated from the copy but whether the copy is substantially similar to the original.⁷³

id. Rural brought a copyright infringement suit against Feist for using listings in its local white pages. *See id.*

71. *See Feist Publications*, 499 U.S. at 347. Facts and factual compilations receive disparate treatment. *See id.* "No one may claim originality as to facts." *Id.* (quoting 1 MELVILLE B. NIMMER & DAVID NIMMER, COPYRIGHT § 2.11[A], at 2-157 (1990) [hereinafter NIMMER]). The distinction is drawn between creation and discovery. *See id.* For instance, the person who first finds and reports a certain fact has not created the fact but has only discovered it. *See id.* Another example of this distinction involves census takers who do not create population figures but merely copy them. *See Feist Publs.*, 499 U.S. at 347 (citing Robert C. Denicola, *Copyright in Collections of Facts: A Theory for the Protection of Nonfiction Literary Works*, 81 COLUM. L. REV. 516, 525 (1981)).

72. 789 F.2d 157 (2d Cir. 1986). The plaintiff in *Horgan* owned a copyright in choreography for a ballet. *See id.* at 157. The defendants authored a book that contained photographs of the ballet performance. *See id.* Plaintiff brought a copyright infringement suit against the defendants, who claimed that the still photographs were not substantially similar to the original work because they did not "capture the flow of movement, which is the essence of dance . . ." *Id.* at 161-62.

73. *See id.* at 162. It is important to note that, when the facts of cases change, courts may use several tests other than the quantitative and qualitative approach to determine substantial similarity, such as: (1) the ordinary observer test; (2) the total concept and feel test; and (3) the fragmented literal similarity test. *See Castle Rock Entertainment, Inc. v. Carol Publ'g Group, Inc.*, 150 F.3d 132, 139-41 (2d Cir. 1998).

The ordinary observer test asks whether: "[t]wo works are substantially similar where 'the ordinary observer, unless he set out to detect the disparities, would be disposed to overlook them, and regard [the] aesthetic appeal [of the two works] as the same.'" *Arica Inst., Inc. v. Palmer*, 970 F.2d 1067, 1072 (2d Cir. 1992) (quoting *Peter Pan Fabrics, Inc. v. Martin Weiner Corp.*, 274 F.2d 487, 489 (2d Cir. 1960)).

Under the total concept and feel test, the analysis considers "the similarities in such aspects as the total concept and feel, theme, characters, plot, sequence, pace, and setting" of the original and the allegedly infringing copies. *See Williams v. Crichton*, 84 F.3d 581, 588 (2d Cir. 1996); *see also Reyher v. Children's Television Workshop*, 533 F.2d 87, 91 (2d Cir. 1976).

Lastly, the fragmented literal similarity test examines the copying of direct quotations and paraphrasing. *See Castle Rock*, 150 F.3d at 140 (citing 4 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 13.03[A][1], at 13-29, § 13.03[A][2], at 13-45 (1997) [hereinafter NIMMER II]); *see also Twin Peaks Prods., Inc. v. Publications Int'l, Ltd.*, 996 F.2d 1366, 1372-73 (2d Cir. 1993) (applying Nimmer test); *Warner Bros. Inc. v. American Broad. Cos.*, 720 F.2d 231, 240, 242 (2d Cir. 1983) (same).

B. Fair Use

Under the Copyright Act, the fair use doctrine fulfills the copyright's goal of promoting the "Progress of Science and useful Arts."⁷⁴ The doctrine of fair use originated from the common law Statute of Anne in 1710.⁷⁵ As reasoned by English judges, the doctrine's purpose is to allow a second author, in spite of the first author's copyright, to base a new work on the author's original for the public benefit.⁷⁶ The fair use concept is intended to limit the purview of the copyright monopoly in an effort to allow for the stimulation of original and creative works.⁷⁷

Although the purpose of the fair use doctrine is clear, the difficulty lies in defining the scope of its application.⁷⁸ In examining a fair use question, courts look to a set of formulations originally articulated by Justice Story in *Folsom v. Marsh*⁷⁹ and later codified in the Copyright Act.⁸⁰ This set of formulations, found in Section 107 of the Copyright Act, includes four general factors to be evaluated in determining whether the use made of a work is fair use.⁸¹ The

74. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 575 (1994) (quoting U.S. CONST. art. I, § 8, cl. 8).

75. See Marks, *supra* note 7, at 1381. From 1740 to 1839, English judges created a set of principles that controlled the use of an author's copyrighted works by another author. See *id.* Such principles formed the basis for the fair use doctrine. See *id.*; see also Leval, *supra* note 3, at 1105.

76. See Marks, *supra* note 7, at 1381. Courts recognized that some unauthorized reproductions of copyrighted material would not constitute infringement of the author's rights; first called "fair abridgement," this concept later became known as "fair use." Leval, *supra* note 3, at 1105. See generally W. PATRY, *THE FAIR USE PRIVILEGE IN COPYRIGHT LAW* 6-17 (1985).

77. See Leval, *supra* note 3, at 1110. The introductory language of the Copyright Act illustrates that fair use may apply to educational purposes "such as criticism, comment, news reporting, teaching . . . scholarship, or research." *Id.* (quoting 17 U.S.C. § 107 (1982)).

78. See *id.* at 1105.

79. 9 F.Cas. 342 (C.C.D. Mass. 1841) (No. 4901). Justice Story's summary of how to approach the fair use concept is as follows: "In short, we must often . . . look to the nature and objects of the selections made, the quantity and value of the materials used, and the degree in which the use may prejudice the sale, or diminish the profits, or supersede the objects, of the original work." *Id.* at 348.

80. See Leval, *supra* note 3, at 1105. Congress codified the common law concept of fair use in the Copyright Act: "[t]he fair use of a copyrighted work . . . for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright." 17 U.S.C. § 107.

81. See *Castle Rock Entertainment, Inc. v. Carol Publ'g Group, Inc.*, 150 F.3d 132, 141 (2d Cir. 1998) (quoting 17 U.S.C. § 107). The four factors include: (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; . . . and (4)

four factors are intended to guide, but not control, the fair use analysis because fair use will always be considered in light of the primary objective of copyright law “to promote the Progress of Science and useful Arts.”⁸² For this reason, fair use analysis proceeds on a case-by-case basis, throughout which courts receive little guidance; therefore, courts often turn to notions of fairness.⁸³

1. *Purpose and Character of the Use Factor*

The first factor of the fair use doctrine concerns the purpose or character of the use.⁸⁴ A subset of this factor is whether the use of the work is of “a commercial nature or is for nonprofit educational purposes.”⁸⁵ In addition, when considering fair use under this factor, courts make an even more important inquiry as to whether and to what degree the allegedly infringing work is “transformative.”⁸⁶

The challenged use is “transformative” when the allegedly infringing work does not “merely supersede” the original work but instead “adds something new,” which has the effect of conferring value on the original work.⁸⁷ For instance, a quotation of copyrighted material that only serves to “repackage” or “republish” the original work will not meet the fair use standard.⁸⁸ Thus, “trans-

the effect of the use upon the potential market for or value of the copyrighted work.

17 U.S.C. § 107.

82. *Castle Rock*, 150 F.3d at 141. (citing *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 577-78 (1994)). The fair use examples given in the Copyright Act are “illustrative and not limitative.” *Id.* (quoting *Campbell*, 510 U.S. at 577-78).

83. *See id.* (quoting *Campbell*, 510 U.S. at 577). Many courts do not share a similar view of the meaning of fair use, which leads to decisions that do not necessarily follow consistent principles. *See Leval*, *supra* note 3, at 1106-07.

84. *See* 17 U.S.C. § 107(1).

85. *Id.*

86. *Campbell*, 510 U.S. at 579 (quoting *Leval*, *supra* note 3, at 1111).

87. *See Leval*, *supra* note 3, at 1111. Furthermore, if:

[t]he secondary use adds value to the original – if the quoted matter is used as raw material, transformed in the creation of new information, new aesthetics, new insights and understandings – this is the very type of activity that the fair use doctrine intends to protect for the enrichment of society.

Id.

88. *See id.* In this way, the material only “supersedes the objects” of the original work. *See id.* (citing *Folsom v. Marsh*, 9 F. Cas. 342, 345 (C.C.D. Mass. 1841) (No. 4901)). To illustrate a non-transformative use, the *Twin Peaks Productions* case is helpful. *See Twin Peaks Prods., Inc. v. Publications Int’l, Ltd.*, 996 F.2d 1366, 1370 (1993). According to the Second Circuit, the book about the *Twin Peaks* television series, detailing specific plots and depicting characters, served no transformative purpose and included more detail than required to serve a legitimate purpose. *See id.* at 1376. The court held that the book about the *Twin Peaks* televi-

formative” use of the original work is imperative under this factor, but it is not determinative for a finding of fair use because this factor must be weighed in conjunction with the remaining three factors.⁸⁹

2. *Nature of the Copyrighted Work Factor*

The second factor considers the nature of the copyrighted work.⁹⁰ This factor protects the incentives of authorship, suggesting that some works are closer to copyright protection than others.⁹¹ Although this factor can be less important when analyzed in relation to certain transformative uses, it is nevertheless relevant in some cases for a complete fair use analysis.⁹² The important issue underlying this factor is whether the nature of the copyrighted work is a collection of facts rather than a creative or imaginative work.⁹³

In *Stewart v. Abend*,⁹⁴ the Supreme Court held that the scope of fair use is narrower for fictional works than for factual works.⁹⁵ In applying the second factor, the Court relied on the Ninth Circuit’s analysis to determine that fair use is “more likely to be found in

sion series discussing the show’s characters, actors, and plots with trivia questions about the show was not fair use. *See id.* at 1378.

89. *See Leval, supra* note 3, at 1116. Leval states that the first factor is the “soul of fair use.” *Id.* Nonetheless, Leval recognizes the importance of weighing this factor against the others, keeping in mind the copyright owner’s incentives and ownership rights. *See id.*

90. *See Campbell*, 510 U.S. at 586.

91. *See id.* This factor “calls for recognition that some works are closer to the core of intended copyright protection than others, with the consequence that fair use is more difficult to establish when the former works are copied.” *Id.*

92. *See id.* (concluding that this factor was not helpful in determining fair use when it is parody case because parodies almost always copy expressive works).

93. *See Lyras, supra* note 36, at 182. When the copyrighted material is a collection of facts, the fair use doctrine allows a more liberal use of copyrighted works. *See id.* Additionally, a great public interest in the copyrighted material may allow more freedom in using the original work without explicit consent from the author. *See id.* (citing *Iowa State Univ. Research Found., Inc. v. American Broad. Cos.*, 621 F.2d 57, 61 (2d Cir. 1980)).

94. 495 U.S. 207 (1990).

95. *See id.* at 237. The holder of rights in a magazine story brought an infringement action against the holders of rights in a motion picture that had been created from the story. *See id.* at 207. The district court granted relief in favor of the holders of rights in the motion picture, secondary users of the copyrighted work. *See id.* The district court’s copyright infringement analysis was based upon the fair use defense. *See id.* The Ninth Circuit later reversed this decision, and the Ninth Circuit’s decision was subsequently affirmed by the Supreme Court. *See Stewart*, 495 U.S. at 207. According to the Supreme Court, the motion picture’s use of the story was not fair use because it failed to meet the four criteria of the fair use defense. *See id.*

factual works than in fictional works.”⁹⁶ The Court characterized the motion picture titled “Rear Window,” which was based on a fictional work, “It Had to Be Murder,” as a fictional rather than factual work.⁹⁷ According to the Court, the motion picture did not meet the other three factors and, therefore, the fair use defense ultimately was not applicable.⁹⁸

Another illustrative fair use case, *Twin Peaks Productions*, favors copyright protection for creative fictional works.⁹⁹ The Second Circuit recognized the copyrighted television program as a work of fiction.¹⁰⁰ The court held that, when evaluating the nature of the copyrighted work, there is a bias in favor of fictional works.¹⁰¹ In keeping with this idea, the court found that the book was a fictional work, and thereby concluded that the book was not fair use of the teleplays.¹⁰²

3. *Amount and Substantiality of the Portion Used Factor*

The third factor evaluated in the fair use defense concerns the amount and substantiality of the portion used in relation to the copyrighted work as a whole.¹⁰³ Generally, the more copyrighted information used in the secondary work, the greater the conflict

96. *Id.* (citing *NIMMER*, § 13.05[A], at 13-77, 13-78). The court stated that “[a] use is less likely to be deemed fair when the copyrighted work is a creative product.” *Abend v. MCA, Inc.*, 863 F.2d 1465, 1481 (1988) (citing *Brewer v. Hustler Magazine, Inc.*, 749 F.2d 527, 529 (1984)). “The law generally recognizes a greater need to disseminate factual works than works of fiction or fantasy.” *Stewart v. Abend*, 495 U.S. 207, 237 (1990) (quoting *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 563 (1985)).

97. *See Stewart*, 495 U.S. at 211-12, 238.

98. *See id.* at 238. In evaluating the first factor, the Court stated that “[e]very [unauthorized] commercial use of copyrighted material is presumptively an unfair exploitation of the monopoly privilege that belongs to the owner of the copyright.” *Id.* at 237 (quoting *Sony Corp. of America v. Universal Studios, Inc.*, 464 U.S. 417, 451 (1984)). As to the third factor, the Court relied on the Court of Appeals’ determination that the motion picture contained a substantial portion of the story, including the story’s unique setting, characters, plot, and sequence of events. *See id.* at 238. As to the fourth factor, the Court again relied on the Court of Appeals’ conclusion that the re-release of the film impinged on the market potential of new versions of the story. *See id.* Consequently, the Court concluded that all four factors make this case a traditional example of unfair use. *See Stewart*, 495 U.S. at 238.

99. *See Twin Peaks Prods., Inc. v. Publications Int’l, Ltd.*, 996 F.2d 1366, 1376 (1993). For a discussion of the facts, see *supra* note 62 and accompanying text.

100. *See Twin Peaks Prods.*, 996 F.2d at 1376. In response to the court’s categorization of the work as a fictional work, the secondary user argued that the public reaction to the televised programs made the teleplays a fact. *See id.*

101. *See id.* (citing *Stewart*, 495 U.S. at 237-38); *see also Harper & Row*, 471 U.S. at 563; *NIMMER I*, *supra* note 73, § 13.05[A][2], at 13-102.22 & n.28.7.

102. *See Twin Peaks Prods.*, 996 F.2d at 1366.

103. *See* 17 U.S.C. § 107(3) (1982).

with the copyright owner, and the less chance it will be protected under the fair use doctrine.¹⁰⁴ An important inquiry when examining this factor is the consideration of the context from which the material is taken.¹⁰⁵ In following this inquiry, courts often focus on whether the copying is consistent with "or more than necessary to further the purpose and character of the use."¹⁰⁶

In *Sony Corp. of America v. Universal City Studios, Inc.*,¹⁰⁷ the Supreme Court balanced the extent of the copyrighted material taken with the nature of the work in favor of the secondary user.¹⁰⁸ The Court found that although the entire work is reproduced, "it does not have its ordinary effect of militating against a finding of fair use."¹⁰⁹ Weighing the remaining three factors against an "equitable rule of reason," the Court found that the secondary work constituted fair use.¹¹⁰

In *Harper & Row, Publishers, Inc. v. Nation Enterprises*,¹¹¹ the amount of work used was an unsubstantial portion of the infringing work.¹¹² Consequently, the Supreme Court denied Nation Enterprises' claim of fair use under the Copyright Act.¹¹³ The Court's fair use analysis focused on the four factors identified by Congress as integral to the determination of fair use.¹¹⁴ Although the amount of taking was unsubstantial in relation to the work as a whole, the district court concluded that Nation Enterprises took

104. See Leval, *supra* note 3, at 1122.

105. See *Castle Rock Entertainment, Inc. v. Carol Publ'g Group, Inc.*, 150 F.3d 132, 144 (2d Cir. 1998).

106. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 586-87 (1994).

107. 464 U.S. 417 (1984). Universal City Studios, Inc., the owner of copyrights on television programs, brought a copyright infringement action against Sony Corporation of America, the manufacturers of home videotape recorders. See *id.*

108. See *id.* at 449-52.

109. *Id.* at 450. In finding fair use, the Court considered the nature of a televised copyrighted audiovisual work and the fact that time shifting allows the viewer to see a work which can be viewed for no charge. See *id.* at 449.

110. See *Sony*, 464 U.S. at 454-55. The dissent understood fair use as allowing authors to copy small portions of original works for the advancement of their own creative pursuits. See *id.* at 497-98. Accordingly, the dissenters claimed that time shifting does not fall into this category; furthermore, the duplication involved in time shifting would prevent a finding of fair use. See *id.*

111. 471 U.S. 539 (1985).

112. See *id.* at 565.

113. See *id.* at 539. The respondents, Harper & Row, Publishers, Inc., sued the petitioners, Nation Enterprises, for an unauthorized publication of quotes from President Ford's memoirs. See *id.*

114. See *id.* at 560-61.

what was “essentially the heart of the book.”¹¹⁵ For this reason, in light of the expressive value of the quotes used, the Court held that this taking, in conjunction with the other factors, did not constitute fair use.¹¹⁶

4. *Effect of the Use on the Market Factor*

The final factor considers the effect that the unauthorized use will have on the market for the primary work.¹¹⁷ Underlying this factor is the acknowledgment that copyright is not an inherent right in authorship.¹¹⁸ The idea behind copyright is to allow authors the chance to garner rewards by encouraging them to create works.¹¹⁹ A secondary user’s gross interference with an author’s pursuits would undermine this goal of copyright.¹²⁰

In evaluating this factor, courts consider whether the secondary work usurps or substitutes for the market of the original work.¹²¹ In *New Era Publications International v. Carol Publishing Group*,¹²² the Second Circuit examined this important consideration.¹²³ The court acknowledged that, although a copyrighted work or its derivative has the potential to harm the market, it will not cause harm if the secondary work does not compete with the original work.¹²⁴ The court held that unfair use is not present when the

115. Harper & Row, 471 U.S. at 564-65. The Court of Appeals for the Second Circuit overruled the district court’s analysis of the qualitative component of the taking. *See id.* A Time magazine editor described the chapters used as “the most interesting and moving parts of the entire manuscript.” *Id.*

116. *See id.* at 539, 569.

117. *See* Leval, *supra* note 3, at 1124. An important inquiry is whether “[t]he use tends to interfere with the sale of the copyrighted article.” *Mura v. Columbia Broad. Sys.*, 245 F. Supp. 587, 587 (S.D.N.Y. 1965).

118. *See* Leval, *supra* note 3, at 1124. According to Leval, if copyright were a natural right, the potential impact on the market of unauthorized use would be insignificant and thus, “[a]ny unauthorized taking would be obnoxious.” *Id.*

119. *See id.*

120. *See id.* *See generally* Marsh, *supra* note 37, at 659-61 (discussing potential harm to market). Additionally, “it would . . . not serve the ends of the Copyright Act – i.e., to advance the arts – if artists were denied their monopoly over derivative works merely because they made the artistic decision not to saturate those markets with variations of their original.” *Castle Rock Entertainment v. Carol Publ’g Group, Inc.*, 955 F. Supp. 260, 272 (S.D.N.Y. 1997).

121. *See* Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 592 (1994).

122. 904 F.2d 152 (2d Cir. 1990).

123. *See id.* The plaintiff, New Era Publications International, brought a copyright infringement action against defendant, Carol Publishing Group, for publishing a critical biography of L. Ron Hubbard, founder of the Church of Scientology. *See id.* at 153. New Era Publications holds licenses of all of Hubbard’s works. *See id.* at 154.

124. *See id.* at 160. Supporting this view, the court stated that “‘where the copy does not compete in any way with the original . . . that creation will be dis-

secondary use harms the market, but nonetheless serves as criticism, a work the Copyright Act aims to protect.¹²⁵

Lastly, in *Campbell v. Acuff-Rose Music, Inc.*,¹²⁶ the Supreme Court discussed another relevant qualification to the market factor.¹²⁷ Rather than protecting subsequent critical works, this qualification protects aspects of the original work that the author or others would develop.¹²⁸ According to this distinction, the Court found no evidence of potential market harm by a rap parody of "Oh Pretty Woman," and held that the parody titled "Pretty Woman" constituted a fair use.¹²⁹

IV. NARRATIVE ANALYSIS

In *Castle Rock*, the Second Circuit Court of Appeals addressed two issues: copyright infringement and the fair use defense.¹³⁰ Specifically, the court considered whether *The SAT* took sufficient protected expression from *Seinfeld* as to infringe the copyright in *Seinfeld* and whether *The SAT* constituted fair use of *Seinfeld*.¹³¹ The court granted relief for the copyright infringement claim and rejected the fair use defense.¹³² The court first analyzed the copyright infringement claim and then considered the fair use defense.¹³³

couraged if demand can be undercut by copiers' is absent," *New Era Publications*, 904 F.2d at 160 (quoting *Consumers Union of United States, Inc. v. Gen. Signal Corp.*, 724 F.2d 1044, 1051 (2d Cir. 1983)). The court noted that the book's critical purpose (to expose Hubbard as a charlatan) was antithetical to the purpose of an authorized biography that New Era might publish. *See id.*

125. *See id.*

126. 510 U.S. 569 (1994).

127. *See id.* at 592. The respondent, Acuff-Rose Music, Inc., sued petitioners, Campbell and others, for infringing Acuff-Rose's copyright in "Oh, Pretty Woman" by recording the rap song "Pretty Woman." *Id.* at 569.

128. *See id.*

129. *See id.* at 591-93; *see also supra* note 127. Copyright law does not recognize a derivative market for critical works such as a parody. *See Campbell*, 510 U.S. at 592.

130. *See Castle Rock Entertainment, Inc. v. Carol Publ'g Group, Inc.*, 150 F.3d 132, 135 (2d Cir. 1998).

131. *See id.*

132. *See id.* The District Court for the Southern District of New York awarded damages for the copyright infringement claim and permanently enjoined the defendants from publishing *The SAT*. *See id.*

133. *See id.* at 137, 141.

A. Copyright Infringement Claim

The court first considered the copyright infringement issue.¹³⁴ The first element of a prima facie case of copyright infringement, actual copying, was undisputed because not only did Castle Rock own valid copyrights in *Seinfeld*, but Carol Publishing and Golub admitted that they actually copied from *Seinfeld* episodes in creating *The SAT*.¹³⁵ Since the first element of actual copying was undisputed, the Second Circuit proceeded to determine whether *The SAT*'s copying of *Seinfeld* was unlawful or improper by relying on the "substantial similarity" test established in *Ringgold*.¹³⁶

First, the court considered the quantitative element of the "substantial similarity" test.¹³⁷ This element requires that the amount of copyrighted work be more than "de minimis."¹³⁸ The court undertook an aggregate analysis to determine the amount the defendant had copied.¹³⁹ Considering all the *Seinfeld* episodes as a single work, the court concluded that the 643 fragments copied from *Seinfeld* exceeded *Ringgold*'s quantitative threshold.¹⁴⁰

Next, the district court examined the qualitative component of the *Ringgold* test.¹⁴¹ Regarding this element, the district court stated that *The SAT* copied from *Seinfeld*'s creative expression and not from unprotected facts.¹⁴² The Second Circuit concluded that because the *Seinfeld* characters and events originated from the imagination of the show's authors, *The SAT* copied creative expression protected by copyright.¹⁴³ The court found that Castle Rock had

134. See *Castle Rock*, 150 F.3d at 137.

135. See *id.* Golub conceded that she made *The SAT* by taking notes of the *Seinfeld* episodes as they aired on television. See *id.* In addition, Golub reviewed videotapes of the episodes she and her friends had recorded. See *id.*

136. See *id.* at 138. For a discussion of the *Ringgold* test, see *supra* note 58 and accompanying text. In addition, for a discussion of the Copyright Act, see *supra* notes 41-50 and accompanying text.

137. See *Castle Rock*, 150 F.3d at 138.

138. *Id.*

139. See *id.* The court decided not to analyze separately the amount of copying taken from each *Seinfeld* episode. See *id.* Rather the Court analyzed the aggregate amount copied from the 84 *Seinfeld* episodes. See *id.* at 139.

140. See *Castle Rock*, 150 F.3d at 138. The court noted that the defendants would have had a better argument under the "de minimis" standard if they had copied fragments from a multitude of unrelated television programs. See *id.*

141. See *id.*

142. See *id.* at 138-39. The facts tested in *The SAT* were taken from the fictitious expression of *Seinfeld*. See *id.* at 139. For instance, *The SAT* did not test readers on true facts about the *Seinfeld* characters. See *id.* Rather it tested readers on events involving the fictitious characters from the *Seinfeld* episodes. See *Castle Rock*, 150 F.3d at 139.

143. See *id.*

sufficiently established both the quantitative and qualitative components of the “substantial similarity” test necessary to find copyright infringement by Carol Publishing and Golub.¹⁴⁴

B. Fair Use Claim

The defendants’ claim of fair use defense under the Copyright Act constituted a second issue in this appeal.¹⁴⁵ The fair use defense considers four factors in light of the general goal underlying copyright law - to promote the Progress of Science and useful Arts.¹⁴⁶ The court evaluated each of the following statutory factors in detail: (1) purpose and character of the use; (2) nature of the copyrighted work; (3) amount and substantiality of the portion used; and (4) effect of the use on the market.¹⁴⁷

The Second Circuit began its analysis by explaining that it placed little weight on the fact that *The SAT*’s use was for commercial gain.¹⁴⁸ Instead, the court proceeded to the more important inquiry: whether and to what extent *The SAT* was transformative.¹⁴⁹ The defendants contended that *The SAT* contained two “transformative” qualities.¹⁵⁰ First, the defendants claimed that, even though the subject matter is ordinary, *The SAT* is just as eligible for fair use as a book testing one’s knowledge of Shakespeare.¹⁵¹ In addition, the defendants contended that *The SAT* was “a quintessential example of the critical text of the TV environment . . .”¹⁵² In response, Castle Rock disregarded these arguments, considering them “post hoc rationalizations.”¹⁵³ The court concluded that *The SAT* completely lacked transformative purpose because its “repackaging” of *Seinfeld* only minimally altered *Seinfeld*’s creative expression.¹⁵⁴

The court next examined whether the second factor, the nature of the copyrighted work, favored Castle Rock or Carol Publish-

144. See *id.*

145. See *id.* at 141. For a discussion of the fair use defense, see *supra* notes 74-83 and accompanying text.

146. See *Castle Rock*, 150 F.3d at 141.

147. See *id.* at 141-46. For a more detailed discussion of these four factors and their application, see *supra* notes 84-129 and accompanying text.

148. See *Castle Rock*, 150 F.3d at 142. The court disregarded this issue, commercial use versus nonprofit use, by asserting that the commercial use of *The SAT* would not favor a finding of fair use. See *id.*

149. See *id.* For a discussion of the “transformative” element, see *supra* notes 87-89 and accompanying text.

150. See *Castle Rock*, 150 F.3d at 142.

151. See *id.*

152. *Id.*

153. *Id.*

154. See *id.* at 143.

ing and Golub.¹⁵⁵ The nature of the copyrighted work should be closer to the central purpose of the intended copyright protection than other works.¹⁵⁶ The defendants conceded that a narrower scope of the fair use doctrine exists for fictional works, like *Seinfeld*, than for factual works.¹⁵⁷ The court found the fictional content of *The SAT* irrelevant where this use was minimally transformative and held in favor of Castle Rock on this point.¹⁵⁸

The third factor under the fair use analysis is the amount and substantiality of the part used in the secondary work in relation to the whole original work.¹⁵⁹ The court examined *The SAT* within the context of *Seinfeld* to find that the purpose of *The SAT* was not for commentary, but simply for entertainment.¹⁶⁰ Absent a critical or transformative purpose, *The SAT* could not be considered fair use under this factor.¹⁶¹

The final factor of the fair use analysis used by the *Castle Rock* court contemplated the effect of the use on the market.¹⁶² Carol Publishing and Golub claimed that Castle Rock provided no evidence of actual market harm to *Seinfeld* by *The SAT*.¹⁶³ The court concluded that *The SAT* served as a substitute for a market Castle Rock could potentially utilize.¹⁶⁴ According to this reasoning, the court held in favor of Castle Rock on this factor.¹⁶⁵

Balancing the four statutory factors, the Second Circuit Court of Appeals held that Carol Publishing and Golub's fair use defense

155. See *Castle Rock*, 150 F.3d at 143.

156. See *id.* For a discussion of the nature of copyrighted work, see *supra* notes 90-102 and accompanying text.

157. See *Castle Rock*, 150 F.3d at 143. For a discussion of the difference between fictional works and factual works, see *supra* notes 94-102 and accompanying text.

158. See *Castle Rock*, 150 F.3d at 144.

159. See *id.*

160. See *id.* The court stated that the defendants could have argued that *The SAT* demonstrated the "nothingness" of *Seinfeld* through its numerous examples. See *id.* The court considered the use of 643 trivia questions and concluded that *The SAT* qualified as entertainment rather than commentary. See *id.* Commentary would not have required so many questions to make the point. See *Castle Rock*, 150 F.3d at 144.

161. See *id.*

162. See *id.*

163. See *id.* at 138-39. On the other hand, Carol Publishing claimed that *Seinfeld*'s audience increased after *The SAT*'s publication. See *id.* Furthermore, Carol Publishing claimed that Castle Rock showed no interest in publishing a book like *The SAT*. See *Castle Rock*, 150 F.3d at 144-45.

164. See *id.* at 145. The court concisely stated that "[t]he SAT is likely to fill a market niche that Castle Rock would in general develop." *Id.* (emphasis added).

165. See *Castle Rock*, 150 F.3d at 146.

lacked merit.¹⁶⁶ Furthermore, the copyright law's objective would be undermined by allowing *The SAT* to copy from *Seinfeld*.¹⁶⁷

V. CRITICAL ANALYSIS

The Second Circuit Court of Appeals' interpretation of both the copyright infringement claim and the application of the fair use defense comported with the aim of the Copyright Act – "to promote the Progress of Science and useful Arts."¹⁶⁸

A. Copyright Infringement

The *Castle Rock* court correctly assessed the copyright infringement claim by applying the two components of the "substantial similarity" test established in *Ringgold*.¹⁶⁹ These two elements enable courts to determine whether the copying meets the quantitative and qualitative threshold requisite to support a conclusion of infringement.¹⁷⁰ Substantial similarity between the original work and the secondary work composes the crucial issue for a finding of copyright infringement.¹⁷¹ In the past, to assess copyright infringement claims, the Second Circuit repeatedly applied a more general version of the *Ringgold* test.¹⁷²

In establishing the quantitative threshold, the Second Circuit's use of an aggregate analysis in determining the copyrighted amount may seem unwarranted.¹⁷³ The *Castle Rock* court stated that Section 106 of the Copyright Act "speaks in the singular" when referring to the allegedly infringed work which supports an "individ-

166. *See id.*

167. *See id.* For a discussion of the objectives of copyright law, see *supra* notes 41-48 and accompanying text.

168. U.S. CONST. art. I, § 8, cl. 8. For a discussion of the copyright infringement and fair use defense issues, see *supra* notes 41-129 and accompanying text.

169. *See Ringgold v. Black Entertainment Television, Inc.*, 126 F.3d 70, 75 (2d Cir. 1997). For a discussion of the two components of the *Ringgold* "substantial similarity" test, see *supra* note 58 and accompanying text.

170. *See Ringgold*, 126 F.3d at 75.

171. *See Castle Rock Entertainment, Inc. v. Carol Publ'g Group, Inc.*, 150 F.3d 132, 137 (2d Cir. 1998).

172. The Second Circuit applied this test in the following cases: *Twin Peaks Prods., Inc. v. Publications Int'l, Ltd.*, 996 F.2d 1366, 1372-73 (2d Cir. 1993); *Horgan v. Macmillan, Inc.*, 789 F.2d 157, 162 (2d Cir. 1986); *Craft v. Kobler*, 667 F. Supp. 120, 123-24 (S.D.N.Y. 1987).

173. *See Martin Flumenbaum & Brad S. Karp, Court Twice Rejects 'Fair Use' Defense*, N.Y. LAW JOURNAL, Aug. 26, 1998, at 3 (stating that Copyright Act supports individual-episode analysis, not aggregate analysis).

ual-episode analysis.”¹⁷⁴ The aggregate analysis, however, was appropriately applied in *Castle Rock*. Therefore, the *Castle Rock* court was justified in rejecting the “individual-episode analysis” in favor of the aggregate analysis, which the court noted was supported by precedent.¹⁷⁵ By analyzing the quantitative element with a different standard, the court correctly concluded that *The SAT* crossed the “de minimis” threshold.¹⁷⁶

In deciding that *The SAT* satisfied *Ringgold*’s qualitative component, the Second Circuit correctly found that *The SAT* copied original and protected expression in *Seinfeld*.¹⁷⁷ Moreover, the court drew an illustrative analogy to *Horgan*,¹⁷⁸ which applied a useful standard in determining copyright infringement.¹⁷⁹ The standard adopted by the *Castle Rock* court examined whether the alleged infringing work was substantially similar to the original work and not whether the original could be recreated from the copy.¹⁸⁰ In drawing this distinction outlined in *Horgan*, the Second Circuit determined that copyright infringement had occurred.¹⁸¹ Additionally, the *Castle Rock* court found that the qualitative component satisfied the necessary threshold for a finding of substantial similarity.¹⁸² This conclusion manifests the court’s proper use and application of *Ringgold*’s substantial similarity test.¹⁸³

B. Fair Use

To clarify the nebulous doctrine of fair use, Congress provided a four-factor framework in Section 107 of the Copyright Act.¹⁸⁴ This framework, however, provides little guidance as to whether the

174. Flumenbaum & Karp, *supra* note 173, at 3. Despite the Copyright Act’s language and the Second Circuit’s recognition of the “individual-episode analysis,” the Second Circuit nonetheless used an “aggregate analysis” approach. *See id.*

175. *See id.*

176. *See Castle Rock*, 150 F.3d at 138.

177. *See id.* at 139.

178. 789 F.2d 157 (2d Cir. 1986). For a discussion of the facts of this case, see *supra* note 72 and accompanying text.

179. *See Castle Rock*, 150 F.3d at 139.

180. *See id.* In this case, the test was not whether the ballet could be reproduced from the photographs but whether the photographs were substantially similar to the ballet. *See id.*

181. *See id.* at 136-40.

182. *See id.* at 139.

183. *See Ringgold v. Black Entertainment Television, Inc.*, 126 F.3d 70, 75 (2d Cir. 1997) (setting forth dual components of substantial similarity test and application in copyright infringement claims).

184. *See* 17 U.S.C. § 107 (1982). For a list of the four statutory factors, see *supra* note 81 and accompanying text.

use reaches the permissible level of fair use.¹⁸⁵ The *Castle Rock* court focused on the fair use defense by examining the four factors in conjunction with the general aim of copyright protection espoused by the Copyright Act.¹⁸⁶ Conceding that no bright-line rule existed concerning fair use, the *Castle Rock* court accurately weighed the non-exclusive factors in light of the overarching goal of copyright law.¹⁸⁷ The Second Circuit considered the fair use defense and properly evaluated the defense under the four factors, remaining true to the underlying purposes of the Copyright Act.

1. *Purpose and Character of the Use*

The major issue concerning the purpose and character of the use is whether the alleged copyrighted material is "transformative" in relation to the original work.¹⁸⁸ The "transformative" use concept, while not determinative, is an essential consideration nonetheless.¹⁸⁹ Determining that the work is "transformative" allows the court to conclude that a new work was created rather than the alternative, that piracy had occurred.¹⁹⁰ The Second Circuit's finding that *The SAT* did not serve a "transformative" purpose preserved the creative work in *Seinfeld* and recognized the need to punish piracy.¹⁹¹

The *Castle Rock* court properly concluded that this factor weighed against the defendants. The Second Circuit Court of Appeals decided that *The SAT* did not serve a "transformative" purpose

185. See Leval, *supra* note 3, at 1106 (discussing nature and contours of fair use concept).

186. See *Castle Rock Entertainment, Inc. v. Carol Publ'g Group, Inc.*, 150 F.3d 132, 141-46 (2d Cir. 1998).

187. See *id.* at 146.

188. See David Goldberg & Robert J. Bernstein, *Demi Moore, Dr. Seuss and Seinfeld: Fair Use*, N.Y. LAW JOURNAL, May 16, 1997, at 1 (discussing importance of "transformative" use concept espoused by Judge Pierre N. Leval in his landmark article "Toward a Fair Use Standard"). For a discussion of the purpose and character of the use of copyrighted work, see *supra* notes 84-89 and accompanying text.

189. See Goldberg & Bernstein, *supra* note 188, at 1. The existence of a "transformative" purpose does not guarantee a successful claim of fair use. See Leval, *supra* note 3, at 1111. The justification for a transformative purpose must supersede the remaining factors that favor the copyright holder. See *id.*

190. See Goldberg & Bernstein, *supra* note 188, at 1. In 1841, Justice Story wrote (in discussing what constitutes a "transformative" use and what does not): [N]o one can doubt that a reviewer may fairly [quote] largely from the original work, if . . . [its design be] . . . criticism. On the other hand, it is as clear, that if he thus [quotes] the most important parts of the work, with a view, not to criticise, but to supersede the use of the original work, [infringement will be found].

Folsom v. Marsh, 9 F.Cas. 342, 344-45 (C.C.D. Mass. 1841).

191. See Goldberg & Bernstein, *supra* note 188, at 1.

because *The SAT* barely altered the original expression of *Seinfeld*.¹⁹² The court pointed to the fact that *The SAT* did not add anything new to the original *Seinfeld*.¹⁹³ This holding is justifiable because the fair use doctrine only protects secondary works that are “transformative.”¹⁹⁴ The *Castle Rock* court relied on precedent illustrating works which served no “transformative” purpose and were not protected under the fair use doctrine.¹⁹⁵ The Second Circuit correctly favored *Castle Rock* in this instance since *The SAT* so minimally altered *Seinfeld*.

2. Nature of the Copyrighted Work

Courts determine the nature of the copyrighted work on the basis of whether the copyrighted work is factual or fictional.¹⁹⁶ The *Castle Rock* court found that *The SAT* qualified as a fictional work.¹⁹⁷ *Seinfeld* is a clear example of a fictional work drawing originality from the creative thoughts of its author.¹⁹⁸ Although *The SAT* is also fictional, its taking from *Seinfeld* does not amount to fair use because it draws its fictional content directly from *Seinfeld* with little “transformative” purpose.¹⁹⁹

The *Castle Rock* court based its decision on precedent, which established a difference between factual and fictional works.²⁰⁰ Courts have analyzed this second factor in terms of whether the nature of the copyrighted work is factual or fictional.²⁰¹ The *Castle*

192. See *Castle Rock Entertainment, Inc. v. Carol Publ'g Group, Inc.*, 150 F.3d 132, 143 (2d Cir. 1998). A “transformative” purpose can add to the creation of new works “[t]hat draw upon portions of earlier works but endow them with ‘new expression, meaning or message.’” Leval, *supra* note 3, at 1111.

193. See *Castle Rock*, 150 F.3d at 143.

194. Leval, *supra* note 3, at 1111 (discussing role of “transformative” use in serving copyright law objective).

195. See *Castle Rock*, 150 F.3d at 143 (citing *Twin Peaks Prods., Inc. v. Publications Int'l, Ltd.*, 996 F.2d 1366, 1378 (2d Cir. 1993)).

196. See Lyras, *supra* note 36, at 182. For a discussion of the nature of copyrighted work, see *supra* notes 90-102 and accompanying text.

197. See *Castle Rock*, 150 F.3d at 144. Without much difficulty, the Second Circuit found that this factor favored *Castle Rock* because “[t]he fictional nature of the copyrighted work remains significant in the instant case, where the secondary use is at best minimally transformative.” *Id.*; see also *Flumenbaum & Karp*, *supra* note 173, at 3.

198. See *Castle Rock*, 150 F.3d at 138-39 (stating that characters and events “spring from the imagination of *Seinfeld*’s authors”).

199. See *id.* at 143.

200. See *Stewart v. Abend*, 495 U.S. 207, 237 (1990) (holding that use of story in motion picture was not fair use and qualifying motion picture as fictional work); see also *Twin Peaks Prods.*, 996 F.2d at 1376 (holding that fictional televised programs did not constitute fair use of teleplays).

201. See *Stewart*, 495 U.S. at 237.

Rock court followed this line of reasoning.²⁰² Courts rejected the fair use defense in both *Stewart* and *Twin Peaks Productions*, where the works in question were fictional because they lacked any factual basis.²⁰³

3. Amount and Substantiality of the Portion Used

Assessment of this factor turns on whether the extent of copying coincides with the purpose and character of its use in light of the original context.²⁰⁴ The *Castle Rock* court properly found that *The SAT*'s use of 643 questions regarding *Seinfeld* was for entertainment and not for commentary purposes.²⁰⁵ The voluminous use of material from *Seinfeld* appropriately led the *Castle Rock* court to conclude a finding against fair use under this factor.²⁰⁶

4. Effect of Use on the Market

Lastly, courts examine the effect of the unauthorized use on the potential market for original works.²⁰⁷ Since the prospective market niches have the potential to harm the copyright holder if filled by non-copyright holders, the market effect is important.²⁰⁸ The Second Circuit correctly found that *The SAT* interfered with a market niche *Castle Rock* could have developed or contracted with another to develop.²⁰⁹

The *Castle Rock* court properly relied on precedent, which established that when the secondary use does not harm the market

202. See *Castle Rock*, 150 F.3d at 143-44 (applying factual/fictional works distinction as utilized by courts in *Stewart* and *Twin Peaks Productions*).

203. For a discussion of the facts and holding of *Stewart*, see *supra* notes 94-98 and accompanying text. For a discussion of the facts and holding of *Twin Peaks Productions*, see *supra* notes 99-106 and accompanying text.

204. See *Castle Rock*, 150 F.3d at 144. For a discussion of the amount and substantiality factor, see *supra* notes 103-16.

205. See *Castle Rock*, 150 F.3d at 144. Defendants argued that *The SAT* (as a work of criticism) could not demonstrate *Seinfeld*'s "nothingness" without "repeated, indeed exhaustive examples deconstructing *Seinfeld*'s humor, thereby emphasizing *Seinfeld*'s meaningfulness to *The SAT*'s readers." *Id.*

206. See *id.* The Second Circuit, in finding that this factor opposed fair use, concluded that *The SAT* lacked either a critical or "transformative" purpose. See *id.*

207. See Leval, *supra* note 3, at 1124. For a discussion of the effect of use on the market, see *supra* notes 117-29 and accompanying text.

208. See Leval, *supra* note 3, at 1124. Leval states that the Supreme Court deemed this factor as the most significant element in the fair use analysis. See *id.* (quoting *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 566 (1985)). The market factor derives its importance from the acknowledgement that copyright is not a natural right innate in authorship. See Leval, *supra* note 3, at 1124. If copyright were a natural right, the market factor would be nonessential and any instance of unauthorized taking would be "absurd." *Id.*

209. See *Castle Rock*, 150 F.3d at 145-46.

for the original work, there is a finding of fair use.²¹⁰ Two cases that have found in favor of fair use based on the market use factor are *New Era Publications*²¹¹ and *Campbell*.²¹² Because both cases involved either a parody or a criticism which did not usurp the market for the original work, the works were considered fair use.²¹³ The Second Circuit carefully analyzed the potential market harm affecting *Castle Rock*.²¹⁴ Unlike the critical biography in *New Era Publications* and the rap parody in *Campbell*, however, *The SAT* substituted for the market of the original work.²¹⁵ Accordingly, the court correctly held in favor of *Castle Rock* with a finding of unfair use, acknowledging that Congress intended copyright law to protect economic choice in regard to market niches.²¹⁶

In conclusion, the Second Circuit Court of Appeals fairly weighed the four statutory factors in light of the underlying aim of copyright law. The aim of copyright law is to balance the competing interests of the copyright holder with those of the secondary user while promoting new creative works.²¹⁷ The *Castle Rock* court's decision promoted this goal. By finding copyright infringement and rejecting the fair use defense, the Second Circuit Court of Appeals protected the innovative thoughts and ideas of the original author.²¹⁸

210. See *New Era Publications Int'l v. Carol Publ'g Group*, 904 F.2d 152, 160 (2d Cir. 1990) (holding that critical biography did not harm market for complementary biographies); see also *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 591-93 (1994) (holding that rap parody did not invade or harm market for original song "Oh, Pretty Woman").

211. 904 F.2d 152, 160 (2d Cir. 1990).

212. 510 U.S. 569, 592-93 (1994).

213. See *New Era Publications*, 904 F.2d at 160. For a discussion of the facts and holding of *New Era Publications*, see *supra* notes 122-25 and accompanying text; see also *Campbell*, 510 U.S. at 591-93. For a discussion of the facts and holding of *Campbell*, see *supra* notes 126-29 and accompanying text.

214. See *Castle Rock*, 150 F.3d at 145-46. Mindful of the aim of the Copyright Act, the Second Circuit restated the district court's comment that "[i]t would . . . not serve the ends of the Copyright Act -- i.e., to advance the arts -- if the artists were denied their monopoly over derivative versions of their creative works" *Id.* at 146.

215. See *id.* at 145.

216. See *id.* This idea coincides with the utilitarian concept of copyright law that "promises authors the opportunity to realize rewards in order to encourage them to create." Leval, *supra* note 3, at 1124.

217. See Kreiss, *supra* note 42, at 6-8 (discussing primary and secondary goals of copyright law).

218. See *Castle Rock*, 150 F.3d at 146.

VI. IMPACT

In *Castle Rock*, the Second Circuit decided that *The SAT*'s publisher and author committed copyright infringement, and their secondary work did not constitute a fair "transformative" use of *Seinfeld*.²¹⁹ Courts handling such issues, especially the fair use doctrine, are often confronted with difficult decisions.²²⁰ The early development of the fair use doctrine failed to articulate a set of governing principles or values to guide a court's analysis.²²¹ It was not until the Copyright Act that the courts received guidance on how to recognize fair use.²²² The four statutory factors, however, failed to provide a bright-line rule, and as a result, a significant challenge was left for the courts.²²³

The Second Circuit's analysis in this case comported with the approach it has taken in other copyright infringement cases.²²⁴ The *Castle Rock* decision preserved a copyright holder's exclusive rights of ownership.²²⁵ To assess the fair use defense, the Second Circuit Court of Appeals utilized the Copyright Act and precedent to reach its decision.²²⁶ The *Castle Rock* decision provides a useful example from a line of cases, which have assessed the fair use doc-

219. See *id.* at 135. For a discussion of the fair use analysis concerning *The SAT*, see *supra* notes 145-67 and accompanying text.

220. See Leval, *supra* note 3, at 1105-06. The fair use doctrine has presented difficulties for many courts precisely because of the varying meanings espoused by judges in the past. See *id.* at 1106-07. As Leval states in regard to decisions on the fair use doctrine, "[r]eversals and divided courts are commonplace." *Id.* (citing following leading cases that were reversed at each stage of review: *New Era Publications Int'l v. Henry Holt & Co.*, 873 F.2d 576 (2d Cir. 1989); *Salinger v. Random House, Inc.* 484 U.S. 890 (1987); *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539 (1985); *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417 (1984); *Rosemont Enters., Inc. v. Random House, Inc.*, 385 U.S. 1009 (1967)).

221. See Leval, *supra* note 3, at 1105.

222. See *id.* at 1105-06. The Copyright Act incorporated the formulations on how to identify fair use that Justice Story articulated in *Folsom v. Marsh*, 9 F.Cas. 342 (C.C.D. Mass. 1841). See Leval, *supra* note 3, at 1105-06.

223. See *id.* For example, the statute does not offer much direction about the "purpose and character" of the secondary use; the statute offers no "clues at all" for evaluating the significance of "the nature of" the copyrighted work; and the statute fails to establish what are permissive and excessive quantities to establish "market harm." *Id.* at 1106.

224. See *Ringgold v. Black Entertainment Television, Inc.*, 126 F.3d 70, 70 (2d Cir. 1997); *Twin Peaks Prods., Inc. v. Publications Int'l, Ltd.*, 996 F.2d 1366, 1366 (2d Cir. 1993); *New Era Publications Int'l v. Carol Publ'g Group*, 904 F.2d 152, 152 (2d Cir. 1990); *Horgan v. Macmillan, Inc.*, 789 F.2d 157, 157 (2d Cir. 1986); *Sony Corp.*, 464 U.S. at 417.

225. See *Castle Rock Entertainment, Inc. v. Carol Publ'g Group, Inc.*, 150 F.3d 132, 141 (2d Cir. 1998).

226. See *id.*

trine in the absence of a clear standard.²²⁷ The lack of a bright-line rule is a positive and necessary aspect of copyright protection.²²⁸ One of the main objectives of the Copyright Act, to prevent a stifling of intellectual activity, is achieved because there is no bright-line rule.²²⁹

Overall, the *Castle Rock* decision bolsters a need for copyright protection against secondary users who unfairly copy an original author's creative work.²³⁰ As a policy consideration, this holding will not threaten the creation of new works, the promotion of which was a major aim of the Copyright Act, because *The SAT* involved mere copying rather than new creative expression.²³¹ For this reason, the Second Circuit Court of Appeals' holding correctly satisfied the goals of copyright law.²³² Notwithstanding this court's fair decision, commentators predict that the competing interests of copyright holders and secondary users will continue to create a challenging battle for courts to confront.²³³

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227. See *Feist Publications, Inc. v. Rural Tel. Serv. Co. Inc.*, 499 U.S. 340, 340 (1991); *Stewart v. Abend*, 495 U.S. 207, 207 (1990); *Ringgold* 126 F.3d at 78; *Twin Peaks Prods.*, 996 F.2d at 1374; *New Era Publications*, 904 F.2d at 156; *Horgan*, 789 F.2d at 157; *Craft v. Kobler*, 667 F. Supp. 120, 126 (S.D.N.Y. 1987); *Folsom v. Marsh*, 9 F.Cas. 342, 342 (C.C.D. Mass. 1841).

228. See Leval, *supra* note 3, at 1135-36.

229. See *id.* Leval stated that "[a] definite standard would champion predictability at the expense of justification . . . we should not adopt a bright-line standard unless it were a good one -- and we do not have a good one." *Id.* In 1841, Judge Story wrote that "[i]t is not easy 'to lay down any general principles applicable to all cases.'" *Id.* at 1135.

230. See *Castle Rock*, 150 F.3d at 136-41.

231. See *id.* at 143 (concluding that *The SAT* minimally altered *Seinfeld* and had little "transformative purpose").

232. See 17 U.S.C. §§ 101-803 (1994).

233. See Leval, *supra* note 3, at 1135-36.